

and liabilities to its single owner in liquidation of the association.

(iv) *Disregarded entity to an association.* If an eligible entity that is disregarded as an entity separate from its owner elects under paragraph (c)(1)(i) of this section to be classified as an association, the following is deemed to occur: The owner of the eligible entity contributes all of the assets and liabilities of the entity to the association in exchange for stock of the association.

(2) *Effect of elective changes.* The tax treatment of a change in the classification of an entity for federal tax purposes by election under paragraph (c)(1)(i) of this section is determined under all relevant provisions of the Internal Revenue Code and general principles of tax law, including the step transaction doctrine.

(3) *Timing of election.* An election under paragraph (c)(1)(i) of this section that changes the classification of an eligible entity for federal tax purposes is treated as occurring at the start of the day for which the election is effective. Any transactions that are deemed to occur under this paragraph (g) as a result of a change in classification are treated as occurring immediately before the close of the day before the election is effective. For example, if an election is made to change the classification of an entity from an association to a partnership effective on January 1, the deemed transactions specified in paragraph (g)(1)(ii) of this section (including the liquidation of the association) are treated as occurring immediately before the close of December 31 and must be reported by the owners of the entity on December 31. As a result, the last day of the association's taxable year will be December 31 and the first day of the partnership's taxable year will be January 1.

(4) *Effective date.* This paragraph (g) applies to elections that are filed on or after the date the final regulations are published in the **Federal Register**.

(h) *Effective date—(1) In general.* Except as otherwise provided in this section, the rules of this section are applicable as of January 1, 1997.

\* \* \* \* \*

**Michael P. Dolan,**

*Acting Commissioner of Internal Revenue.*  
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## DEPARTMENT OF THE TREASURY

### Fiscal Service

#### 31 CFR Part 208

RIN 1510-AA56

#### Management of Federal Agency Disbursements: Hearing in Los Angeles, CA

**AGENCY:** Financial Management Service, Fiscal Service, Treasury.

**ACTION:** Proposed rule; notice of public hearing.

**SUMMARY:** This document schedules an additional public hearing on proposed regulations relating to the government's use of electronic funds transfer to make all Federal payments, with the exception of tax refunds, after January 1, 1999.

**DATES:** There will be a public hearing in Los Angeles on Tuesday, December 9, 1997 beginning at 9:00 a.m. Requests to testify at the hearing and outlines of testimony must be received by December 1.

**ADDRESSES:** The public hearing in Los Angeles will be held at the Federal Reserve Bank. The Bank is located at 950 S. Grand Avenue, Los Angeles, California, 90015.

Send requests to testify and outlines of testimony to Martha Thomas-Mitchell. See **FOR FURTHER INFORMATION CONTACT**.

**FOR FURTHER INFORMATION CONTACT:** Martha Thomas-Mitchell at (202) 874-6757 or at Internet address martha.thomas-mitchell@fms.sprint.com. The following toll free number is also available for registration information and inquiries: 1-800-344-0218 (hours of operation are 7:00 a.m.—5:00 p.m. Pacific Standard Time). For general information on the proposed regulation, contact Robyn Schulhof at (202) 874-6754 or Diana Shevlin at (202) 874-7032.

**SUPPLEMENTARY INFORMATION:** A notice of proposed rulemaking appearing in the **Federal Register** on September 16, 1997 (62 FR 48714) announced that three public hearings would be held in Dallas, New York City, and Baltimore. This notice adds an additional hearing in Los Angeles.

Dated: October 23, 1997.

**Michael T. Smokovich,**  
*Deputy Commissioner.*

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Health Care Financing Administration

#### 42 CFR Chapter IV

[HCFA-1007-N]

#### Medicare Program; Meetings of the Negotiated Rulemaking Committee on the Provider-sponsored Organization Solvency Standards

**AGENCY:** Health Care Financing Administration (HCFA), HHS.

**ACTION:** Notice of meetings.

**SUMMARY:** In accordance with section 10(a) of the Federal Advisory Committee Act, this notice announces the dates and locations for the second through sixth meetings of the Negotiated Rulemaking Committee on the provider-sponsored organization (PSO) solvency standards. The purpose of this committee is to negotiate the development of an interim final rule establishing solvency standards for provider-sponsored organizations under Part C of the Medicare program, as statutorily-mandated by the Balanced Budget Act of 1997. These meetings are open to the public.

**DATES:** The five scheduled meetings will be held on November 12-14, 1997; December 3-5, 1997; January 6-8, 1998; January 27-29, 1998; and February 18-20, 1998. The hours of the meetings are 9:00 a.m. to 5:00 p.m. on the first two days of each meeting and 8:00 a.m. to 3:00 p.m. on the third day of each meeting.

#### ADDRESSES:

- November 12, 13, and 14, 1997, at The Phoenix Park Hotel, 520 N. Capitol St., NW, Washington, DC 20001; (202) 638-6900;
- December 3, 4, and 5, 1997, at the Holiday Inn Capitol, 550 C St., SW, Washington, DC 20024; (202) 479-4000;
- January 6, 7, and 8, 1998, at The Phoenix Park Hotel at the above address;
- January 27, 28, and 29, 1998, at The Phoenix Park Hotel; and
- February 18, 19, and 20, 1998, at The Phoenix Park Hotel.

**FOR FURTHER INFORMATION:** Inquiries regarding these meetings should be addressed to Maureen Miller, Health Care Financing Administration, Center for Health Plans and Providers, Room S3-21-17, 7500 Security Boulevard, Baltimore, Maryland 21244, (410) 786-1097.